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SUBJECT: ANTIGUA AND BARBUDA CABINET CHANGES

REF: 06 BRIDGETOWN 1852

Classified By: DCM Mary Ellen T. Gilroy for reasons 1.4 (b) and (d).

11. (C) SUMMARY: On December 31, Prime Minister Spencer announced several changes (listed below) in his cabinet. Although some of the rearrangement of duties seems quite practical, others appear to have been made in reaction to accusations of corruption. Two significant adjustments are the shift of the Antiguan Public Utilities Authority (APUA) from the Deputy Prime Minister's portfolio to the Prime Minister's and the removal of Senator Aziz Hadeed, Minister of State without Portfolio in the Prime Minister's Office, from the cabinet. These shifts seem to have been motivated by steadily increasing pressure from both the public and members of Spencer's own party, the United Progressive Party (UPP). End Summary.

12. (U) Antigua and Barbuda's Prime Minister, Baldwin Spencer, announced the following minor changes in his cabinet in his New Year's message broadcast on December 31. PM Spencer explained the restructuring as an effort designed to deliver social programs, infrastructure development, education and public safety, public health care, tourism expansion, national cohesion and good governance on time and within budget.

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SHIFTS -- Departments  
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13. (U) Sports and Youth Affairs has moved from the Ministry of Health, Sports, Carnival, and Youth Affairs to the Ministry of Education, which becomes the Ministry of Education, Sports and Youth Affairs.

14. (U) Culture, inclusive of the Independence Celebrations, the Community Pride Programme, Carnival and the Environment, is part of the Ministry of Tourism. That Ministry will be henceforth be known as the Ministry of Tourism, Civil Aviation, Culture, and the Environment.

15. (C) The Antigua Public Utilities Authority (APUA) and Energy are being moved to the Office of the Prime Minister. The APUA was previous part of the portfolio of the Deputy Prime Minister. PM Spencer announced that Minister of State for Barbuda Affairs Trevor Walker will assist him with matters relating to Energy and the APUA, and that the board will be answerable to the Prime Minister. (Note: Barbuda Affairs is a department within the Office of the Prime Minister. End Note.)

¶6. (C) Comment: The quality and delivery of electricity supplied by the APUA has deteriorated considerably in recent years. The APUA Electricity Division is subject to frequent power outages because of breakdowns of its power generation plants. APUA's financial situation is very weak, making upgrades almost impossible. Many Antiguanians have expressed dissatisfaction with inefficient internal management and allege that corruption is preventing improvements in electricity service. In addition to addressing public dissatisfaction with electricity supplies, the PM's appropriation of the APUA portfolio is also motivated by his wish to spur the public utilities board to carry out government policy on the liberalization of telecommunications. End Comment.

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SHIFTS -- Responsibilities  
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¶7. (U) Deputy Prime Minister Wilmoth Daniel will retain responsibility for the Ministry of Public Works and Transportation, including the Port Authority, but lose the APUA.

¶8. (U) Minister of Health John Maginley will no longer have Sports and Youth Affairs, but will retain responsibility for Cricket World Cup 2007.

¶9. (U) Minister of Justice and Public Safety Colin Derrick now has additional responsibility for the Police and Fire Division.

¶10. (U) Attorney General and Minister of Legal Affairs Justin Simon will add to his responsibilities the Land and Commercial Registries.

¶11. (U) The Junior Minister of Sports and Youth Affairs, Winston Williams, has been elevated to Minister of State in the Ministry of Education, Sports and Youth Affairs with responsibility for Sports and Youth Affairs.

¶12. (U) The Junior Minister of Culture and Independence Celebrations, Eleston Adams, became a Minister of State in the Ministry of Tourism, Civil Aviation, Culture and the Environment with responsibility for Culture and Independence Celebrations.

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Influential Senator Dropped from Cabinet  
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¶13. (C) The PM dropped Senator Aziz Hadeed from the cabinet but appointed him Ambassador Extraordinaire and Plenipotentiary, with Ministerial rank. Before the December 31 announcement, Hadeed served as Minister of State without Portfolio in the Prime Minister's Office. The Senator is a wealthy businessman of Syrian background that many believe bought his way into the government through huge financial contributions to the UPP in the 2004 elections. There have been unsubstantiated rumors that Senator Hadeed's presence in the cabinet has enabled his family to benefit by receiving business contracts and that a conflict of interest exists. Members of Spencer's own United Progressive Party have repeatedly called on the PM to drop Hadeed from the cabinet because of possible conflicts of interest in the awarding of contracts. Senator Abbot, also a member of the ruling UPP, has been saying for months that Hadeed's appointment to public office called into question the credibility of the Spencer government. Though no accusations against the Senator have been substantiated, the Hadeed family's extensive business operations in Antigua make many suspicious of his influence in the inner circles of government. Aziz Hadeed is close to the PM, but he and family members have equally strong ties to the former ALP government.

¶14. (U) Though he no longer sits in cabinet meetings, Ambassador Hadeed will be Antigua's point man in international trade and foreign direct investment promotion,

merchant shipping and the promotion and establishment of the Caribbean Festival Park.

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The Opposition Speaks  
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¶15. (C) City West MP Gaston Browne, a senior member of the opposition Antiguan Labour Party (ALP), described Deputy Prime Minister Wilmoth Daniel as being "cut down" in reference to the transfer of the APUA to the Prime Minister. Browne told PolOff that the transfer was made to enable the PM to liberalize this sector of the economy and would lead to the destruction of the APUA within three years. (Note: The APUA is the largest public sector agency in Antigua, employs more than 800 people, and has an annual budget of EC\$500,000,000 (US\$185,000,000). The APUA is responsible for telephone service, cellular service, water, and electricity generation and distribution. End Note.)

¶16. (C) Browne referred to the removal of Aziz Hadeed from the cabinet as "the clear humiliation" of the Senator. Browne believes that Hadeed should have been given the opportunity to resign. (Note: PolOff learned that Senator Hadeed did not know in advance of his removal from the cabinet; he only learned of it from the Prime Minister's December 31 speech. End Note.) Browne believes that the PM erred when given Hadeed the new position and rank, arguing that it is unconstitutional to give a person ministerial rank and responsibilities without having them in the cabinet.

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COMMENT  
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¶17. (C) This is the second time since coming to office that PM Spencer has rearranged cabinet responsibilities. Both the ruling UPP and the opposition ALP agree that the shifting of elements among the departments of Sports and Youth Affairs as well as Culture are common sense changes. The removal of Hadeed from the cabinet and the transfer of the APUA to the PM's account are more significant end-of-year changes in Antigua. PM Spencer appears to be gaining confidence in his ability to respond to party members and the electorate in reducing the profile of a prominent businessman/politican and breaking the APUA logjam. End Comment.  
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